

SUBCOMMITTEE NO. 4

Agenda

Joseph Dunn, Chair
Tom McClintock
Christine Kehoe



Hearing Outcomes

Wednesday, April 6, 2005
1:30 p.m.
Room 2040

Consultant: Brian Annis

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Staff Note: The budgets and budget issues in this Agenda do not include the Administration's April 1 Finance Letters. Finance Letter issues will be heard at a later date.

Department Budgets Proposed for Consent / Vote Only

0510 Secretary for State and Consumer Services

The State and Consumer Services Agency oversees the departments of Consumer Affairs, Fair Employment and Housing, and General Services. The Agency also oversees the California Science Center, the Franchise Tax Board, the California Building Standards Commission, the State Personnel Board, the California Public Employees' Retirement System, the California State Teachers' Retirement System, the Victims Compensation and Government Claims Board, and the Office of the Insurance Advisor.

The Governor proposes expenditures of \$1.4 million (\$769,000 General Fund) and 10.8 positions for the Agency – a decrease of \$17,000. These figures include a \$12,000 unallocated General Fund reduction. The Administration did not submit Budget Change Proposals or workload adjustments for the Agency.

1100 California Science Center

The California Science Center is an educational, scientific, and technological center located in Exposition Park, a 160-acre tract in south Los Angeles. The California African American Museum, also included in the park, provides exhibitions and programs on the history, art, and culture of African Americans. In addition, the Office of the Park Manager is responsible for maintenance of the park, public safety, and parking facilities.

The Governor proposes expenditures of \$19.9 million (\$14.5 million General Fund) and 173.9 positions for the Science Center – a total increase of \$121,000 (and a General Fund reduction of \$30,000). The proposed budget includes the following four adjustments:

- A permanent augmentation of \$93,000 (special fund) to support landscaping, maintenance, and utility costs.
- A permanent increase in reimbursement authority of \$35,000 so the California African American Museum can receive increased revenues from the rental of Museum facilities.
- A one-time augmentation of \$230,000 (special fund) for the installation of a closed-circuit television security system at the newly-completed parking garage.
- An unallocated General Fund reduction of \$183,000.

1100 & 1111 Regulatory Boards, Bureaus, Programs, Divisions (within the Department of Consumer Affairs)

The Administration did not make workload baseline adjustments or submit Budget Change Proposals for the following special-fund-supported organizations. No entity listed below receives General Fund support. (Dollars are in 1,000s)

	Positions		Expenditures	
	2004-05	2005-06	2004-05	2005-06
Boards and Commissions - Organization Code 1110				
Athletic Commission, State	8.5	8.5	\$1,023	\$985
Behavioral Science, Board of	29.4	29.4	4,914	4,985
Guide Dogs for the Blind, State Board of	1.3	1.3	152	153
Occupational Therapy, Board of	4.7	4.7	728	763
Optometry, State Board of	6.8	6.8	1,384	1,471
Osteopathic Medical Board	4.0	4.0	1,093	1,132
Pharmacy, California State Board	45.3	45.3	7,991	8,233
Physical Therapy Board	10.3	10.3	2,169	2,623
Professional Engineers and Land Surveyors, Board for	48.4	48.4	7,561	7,781
Psychology, Board of	12.7	12.7	2,937	3,067
Respiratory Care Board of California	16.2	16.2	2,588	2,637
Speech-Language Pathology and Audiology Board	4.7	4.7	571	633
Structural Pest Control Board	27.4	27.4	3,860	3,979
Vocational Nurse and Psychiatric Technician Examiners, Board of	36.4	36.4	6,848	6,982
Bureaus, Programs, Divisions - Organization Code 1111				
Arbitration Certification Program	5.4	5.4	\$904	\$875
Cemetery & Funeral Bureau	22.5	22.5	3,748	3,732
Electronic & Appliance Repair, Bureau of	14.5	14.5	2,020	2,027
Hearing Aid Dispensers Bureau	2.9	2.9	676	695
Home Furnishings and Thermal Insulation	29.5	29.5	3,759	3,750
Naturopathic Medicine, Bureau	0.9	0.9	96	121
Private Postsecondary & Vocational Education	58.2	58.2	11,753	11,699
Telephone Medical Advice Services Program	0.9	0.9	132	145

The Administration adjusted the following budgets to add positions and/or funding to address workload or policy issues. The Office of Privacy Protection is the only entity listed that receives General Fund support. A brief description of the workload adjustment or Budget Change Proposal is included under each Board or Bureau.

	Positions		Expenditures	
	2004-05	2005-06	2004-05	2005-06
Boards and Commissions - Organization Code 1110				
Accountancy, California Board of	63.8	68.5	\$9,415	\$10,040
	Augmentation of \$54,000 (permanent) and 1.0 position for incoming-call workload.			
	Augmentation of \$192,000 (\$178,000 ongoing) and 2.0 positions for enforcement workload.			
	Augmentation of \$99,000 (\$96,000 ongoing) and 2.0 positions for SB 1543 (2004) workload.			
Acupuncture Board	8.5	9.4	2,266	2,297
	Augmentation of \$54,000 (\$46,000 ongoing) and 1.0 position for Chinese-language services.			
Architects Board, California	22.1	23.0	3,724	3,937
	Augmentation of \$43,000 in 2005-06 and \$72,000 in 2006-07 to redevelop the licensing exam.			
	Augmentation of \$82,000 (\$81,000 ongoing) and 1.0 position to support additional workload.			
Barbering and Cosmetology, State Board	81.2	82.1	12,857	14,383
	Augmentation of \$219,000 (permanent) to fund higher Attorney General service rates.			
	Augmentation of \$63,000 (permanent) to convert 4.0 permanent intermittent examiners to regular full-time.			
	Addition of 1.0 position (no new funding) to restore a management position lost due to vacancy.			
Court Reporters Board of California	4.5	4.5	982	1055
	Augmentation of \$56,000 (one-time) to fund examination redevelopment.			
Dental Board of California	54.5	55.6	10,469	11,534
	Addition of 0.5 positions (no new funding) for workload associated with AB 539 (2004)			
	Augmentation of \$189,000 (one-time) to convert to the Dept. of Consumer Affairs applicant tracking system.			
	Augmentation of \$175,000 (one-time) for exam validation and mandated survey.			
	Augmentation of \$47,000 (one-time) for revisions to the dental licensure exam.			

	Positions		Expenditures	
	2004-05	2005-06	2004-05	2005-06
Dental Board of California	Augmentation of \$103,000 (permanent) for expert examiner stipends and workload.			
	Augmentation of \$79,000 (permanent) for expert reviewers.			
	Augmentation of \$94,000 in 2005-06 (\$92,000 ongoing) for SB 1865 (2004) workload.			
Geologists and Geophysicists, Board for	7.0	8.9	786	969
	Augmentation of \$145,000 (permanent) and 2.0 positions for enforcement activity workload.			
Physicians Assistant Committee	4.4	4.4	916	968
	Augmentation of \$9,000 (permanent) for the Diversion of Impaired Physician Assistants Program.			
	Augmentation of \$16,000 (permanent) to restore the Committee per diem.			
Podiatric Medicine, California Board of	4.2	5.1	1,115	1,154
	Addition of 1.0 position (no new funding) to restore the Board's sole administrative support staff.			
Registered Nursing, Board	91.2	91.2	19,060	20,350
	Augmentation of \$725,000 (permanent) for Attorney General costs and expert witnesses.			
Veterinary Medical Board	8.1	10.0	1,660	1,988
	Augmentation of \$94,000 (permanent) and 2.0 positions for enforcement and licensing workload.			
Bureaus, Programs, Divisions - Organization Code 1111				
Office of Privacy Protection	3.8	3.8	416	411
	Unallocated General Fund reduction of \$6,000.			

1700 Department of Fair Employment and Housing

The mission of the Department of Fair Employment and Housing is to protect people from unlawful discrimination in employment, housing, and public accommodations, and from the perpetration of acts of hate violence.

The Governor proposes expenditures of \$18.8 million (\$13.3 million General Fund) and 197.7 positions for the Department – an increase of \$91,000 and a decrease of 3.2 positions. These figures include a \$211,000 unallocated General Fund reduction. The Department indicates it can absorb this reduction because of rent savings from consolidating two San Francisco Bay Area offices. The Administration did not submit Budget Change Proposals or workload adjustments for the Department.

1705 Fair Employment and Housing Commission

The Fair Employment and Housing Commission is a quasi-judicial body responsible for the promotion and enforcement of the State's civil rights laws concerning discrimination in employment, housing, public accommodations, family, medical and pregnancy disability leave, hate violence, and threats of violence.

The Governor proposes expenditures of \$1.2 million (\$1.1 million General Fund) and 7.0 positions for the Commission – a decrease of \$24,000. These figures include a \$17,000 unallocated General Fund reduction. The Commission indicates it can absorb this reduction without reducing positions due to rent savings achieved in 2004-05 from a move to a smaller office. The Administration did not submit Budget Change Proposals or workload adjustments for the Commission.

8260 California Arts Council

The Arts Council serves the public through the development of partnerships with the public and private sectors and by providing support to the state's non-profit arts and cultural community.

The Governor proposes expenditures of \$3.3 million (\$1.2 million General Fund) and 19.3 positions for the Arts Council – an increase of \$25,000. These numbers include an unallocated General Fund reduction of \$18,000. The Administration did not submit Budget Change Proposals or workload adjustments for the Arts Council.

8500 Board of Chiropractic Examiners

The Board of Chiropractic Examiners licenses and regulates the chiropractic industry. The Board also sets educational standards for recognized chiropractic colleges, reviews complaints, and investigates possible violations of the Chiropractic Act and regulations.

The Governor proposes expenditures of \$2.7 million (no General Fund) and 13.9 positions for the Board – an increase of \$165,000 and 1.4 positions. The proposed budget includes the following three adjustments:

- A permanent augmentation of \$96,000 to address higher Attorney General billing rates.
- A permanent augmentation of \$59,000 and 1.0 position to implement the Board's Citation and Fine Program.
- A permanent augmentation of \$13,000 and 0.4 position to extend to full-time a current 0.6 switchboard operator and receptionist position.

8530 Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun

The Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun licenses and regulates maritime pilots who guide vessels entering or leaving those bays.

The Governor proposes expenditures of \$1.2 million (Board of Pilot Commissioners' Special Fund) and 2.0 positions – an increase of \$15,000. The Administration did not submit Budget Change Proposals or workload adjustments for the Board.

8780 Milton Marks “Little Hoover” Commission

The Little Hoover Commission on California State Government Organization and Economy conducts four to five comprehensive reviews of executive branch programs, departments and agencies each year and recommends ways to improve performance by increasing efficiency and effectiveness. Additionally, the Commission is responsible for analyzing and making recommendations to the Legislature on all Governor reorganization plans.

The Governor proposes expenditures of \$943,000 (\$941,000 General Fund) and 8.8 positions for the Commission, a decrease of \$9,000. These figures include a \$15,000 unallocated General Fund reduction. The Administration did not submit Budget Change Proposals or workload adjustments for the Commission.

8800 Membership in Interstate Organizations

This item provides funding for membership in various organizations to which the State belongs, such as the National Conference of State Legislatures and the National Governors' Association. The State has not paid dues or fees since 2002-03 because of budget constraints and these obligations continue to accrue.

The Governor proposes no funding for Interstate Organizations fees and dues. When these costs were last funded in 2002-03, the cost was \$931,000 (all General Fund).

Control Section 14.00

This Section authorizes short-term loans (not to exceed 18 months) between special funds within the Department of Consumer Affairs. No loan can be made that would interfere with the carrying out of the object for which the special fund was created. Similar language was approved with the 2003 Budget Act and the 2004 Budget Act. In a February 2005 letter, the Department of Consumer Affairs reported that this lending authority was not exercised during 2003-04.

Staff Comment: No issues have been raised with the budgets listed above.

Staff Recommendation: Approve budgets of the entities listed above.

Action: All budgets listed above, with the exception of the Board of Barbering and Cosmetology, were approved on a 2-1 vote, with Senator McClintock voting no. The Board of Barbering and Cosmetology was held open because the Chair wanted to investigate a constituent concern, which was received just prior to the hearing, concerning the Board's budget.

Department Budgets Proposed for Discussion

1110 / 1111 Department of Consumer Affairs

The Department of Consumer Affairs Boards and Bureaus provide exams and licensing, enforcement, complaint mediation, education for consumers, and information on privacy concerns.

The Boards are budgeted under organizational code 1110, and the total proposed budget is \$210.1 million (no General Fund) and 1254.5 positions – an increase of \$11.3 million and 29.8 positions. The Bureaus are budgeted under organizational code 1111, and the total proposed budget is \$176.7 million (\$376,000 General Fund) and 1,329.3 positions – an increase of \$22.9 million and 44.5 positions.

The issues listed below are cross-cutting issues that involve multiple Boards or Bureaus. Issues that relate to a single Board or Bureau are discussed under the heading of the individual Board or Bureau in the pages that follow.

Issue for Consent / Vote Only

1. **Deletion of Continuous Appropriation Authority.** The Administration has submitted trailer-bill language to remove the continuous appropriation authority of various special funds within the Department of Consumer Affairs. This is technical cleanup, as these special funds have received Budget Act appropriations in recent budgets. The trailer-bill language is an attachment at the end of this agenda.

Staff Comment: No issues have been raised with the issue listed above.

Staff Recommendation: Approve this issue.

Action: *No vote was taken on this item, however, the Chair indicated this issue is approved without a vote as it is part of the January Budget.*

Department of Consumer Affairs Issue for Discussion

1. **Status of Special Fund Loans.** The Department of Consumer Affairs provided the following chart that summarizes outstanding special-fund loans to the General Fund.

Department of Consumer Affairs Outstanding GF Loans (\$ in thousands)						
Fund	Entity	Total Loans	Repaid in 03-04	To be repaid in 04-05	To be repaid in 05-06	Total Loan Balances Remaining (Excludes Interest)
0069	Barber Cosmo	\$9,000			\$5,500	\$3,500
0108	Acupuncture	\$1,500				\$1,500
0239	BSIS - PSS	\$4,000				\$4,000
0264	Osteopathic Med Bd	\$2,600				\$2,600
0310	Psychology	\$5,000				\$5,000
0421	BAR - VIRF	\$114,000				\$114,000
0704	Accountancy	\$6,270				\$6,270
0706	Architects	\$1,800				\$1,800
0735	Contractors	\$19,700	\$19,700			\$0
0741	Dentistry	\$10,000		\$600	\$2,500	\$6,900
0757	Landscape Architects	\$1,225			\$1,225	\$0
0761	Registered Nursing	\$12,000			\$5,800	\$6,200
0767	Pharmacy	\$6,000			\$3,000	\$3,000
0771	Court Reporters	\$1,250				\$1,250
0773	Behavioral Sciences	\$6,000				\$6,000
0775	Structural Pest	\$2,000				\$2,000
0779	Vocational Nurse	\$2,000			\$2,000	\$0
0780	Psych Tech	\$1,000				\$1,000
3017	Occupational Therapy	\$640				\$640
	TOTAL:	\$205,985	\$19,700	\$600	\$20,025	\$165,660

These loans do not have a fixed repayment date, but Budget Act provisional language cites the intent of the Legislature that repayment be made so as to ensure that the programs supported by these funds are not adversely affected by the loans through reduction in service or through increased fees. The Governor's proposed Constitutional Amendment, ACA 4X, would require repayment of these loans no later than July 1, 2021. The Department of Finance indicates that the proposed loan repayments for 2005-06 was partly based on need and partly based on policy. For example, if loans were only repaid as necessary to retain a \$1 million reserve for economic uncertainty; the loan repayment amount would be reduced by approximately \$15.5 million. Note, Control Section 14.00 of this budget bill would allow short-term loans between special funds within Consumer Affairs.

Staff Comment: The Subcommittee may want to ask the Administration:
(1) Why is the Administration proposing faster repayment of this loan than is required for 2005-06 expenditures, and
(2) What amount of these loan repayments is based on programmatic needs and what amount is a discretionary policy choice.

Staff Recommendation: Approve the loan repayments at the requested levels.

Action: *Issue approved on a 2-1 vote with Senator McClintock voting no.*

- 2. Workers' Compensation Insurance Premium Increase.** The Administration requests a permanent augmentation of \$3.1 million (no General Fund, various special funds) to provide Boards and Bureaus with sufficient resources to fund significant increases in State Compensation Insurance Fund premiums. A deficiency request of a similar amount was approved for 2004-05. Based on information provided by the State Compensation Insurance Fund (SCIF) on November 16, 2004, workers' compensation premium and deposit costs are estimated at \$6.5 million in 2004-05 for all boards/bureaus/programs. The base budget for these costs is currently budgeted at \$3.4 million.

Staff Comment: An April Finance Letter proposed by the Administration would convert the Department of Consumer Affairs to a self-insured workers' compensation plan. Keep this issue open to be heard at a later hearing along with the Finance Letter.

Staff Recommendation: Keep open to hear with April Finance Letter.

Action: *Issue kept open to be heard at a later hearing when a related April Finance Letter will also be considered.*

1110 Medical Board

The Medical Board licenses and regulates physicians, midwives, opticians, spectacle lens dispensers, contact lens dispensers, and research psychoanalysts. The Board administers an enforcement program designed to identify and discipline potentially dangerous physicians. The Board also has oversight responsibility for the Physician Assistant Committee and the Board of Podiatric Medicine.

The Governor proposes expenditure of \$44.3 million (special fund) and 247.9 positions for the Board – and increase of \$1.6 million and no change in the number of positions.

Issues

1. **Medical Board Revenues.** The Medical Board has annual expenditures in excess of revenues of approximately \$6 million out of the Contingent Fund of the Medical Board of California. To continue the same level of service in 2006-07, the Board requires statutory changes to allow for a fee increase.

Staff Comment: Staff understands that SB 231 (Figueroa) is a spot bill that may be available to address the revenue shortfall, among other Medical Board issues. The Administration should describe its plan to fully fund the Board after 2005-06.

Since this is an issue for the 2006-07 budget, no vote is required this year.

2. **Initial Monitor's Report on the Medical Board's Enforcement Program.** In November 2004, the independent Monitor issued its *Initial Report: Medical Board of California Enforcement Program Monitor*, which included 65 recommendations for improving the overall efficiency of the Board's enforcement system. To address all of the problems identified in the Monitor's report, additional staffing would be required.

Staff Comment: The Administration should estimate the staffing and additional funding needed to (1) restore positions lost to vacant position reductions and (2) fully address the deficiencies outlined in the Monitor's report.

Staff understands, from discussions with the Medical Board, that legislation to allow a fee increase and subsequent regulations would take about a year, and new fee revenue would not be available until July 2006. Therefore, a Medical Board staffing augmentation appears to be an issue for the 2006-07 budget, and no vote is required this year.

Staff Recommendation: Approve the Medical Boards budget as proposed by the Administration.

Action: *Budget was held open because the Chair wanted to investigate a constituent concern, which was received just prior to the hearing, concerning the Board's budget.*

1110 Contractors State License Board

The Contractors State License Board regulates the construction industry to promote the health, safety, and general welfare of the public in matters relating to construction. The Board licenses contractors, enforces licensing laws, and resolves disputes that arise from construction activities.

The Governor proposes expenditures of \$51.7 million (no General Fund) and 387.8 positions for the Board – an increase of \$2.7 million and 16.6 positions.

Issues for Consent / Vote Only

- 1. Test Administration and Examination Development Staffing.** The Board requests an augmentation of \$272,000 (special fund - \$267,000 ongoing) and 2.5 positions for exam development and proctor costs. The Board indicates that scheduled exams increased from 37,253 in 1998-99 to an estimate 79,014 in 2003-04. Proctor costs have increased from \$67,000 in 1998-99 to \$145,000 estimated in 2003-04.
- 2. Information-Center Staffing.** The Board requests an augmentation of \$225,000 (special fund - \$216,000 ongoing) and 4.0 positions for the Licensing-Division Information Center (IC). The Information Center responds to questions regarding the hiring of a contractor, complaints against a contractor, licensing issues that require resolution in order to keep businesses running, and issues about the application process. The Board reports that it is unable to respond to the majority of calls that are received. The hiring freeze and vacant position reductions resulted in staffing for this function falling from 19 to 12. This request would restore 4 of the eliminated positions.

Staff Comment: No issues have been raised with the issues listed above.

Staff Recommendation: Approve these issues.

Action: *Issues approved on a 2-1 vote with Senator McClintock voting no.*

Contractor State License Board Issue for Discussion

- 1. Economic and Employment Enforcement Coalition.** The Board requests an augmentation of \$998,000 (Contractors' License Fund) and 11 three-year limited-term positions to increase enforcement activity against unlicensed contractors. Funding and positions are three-year limited term and the cost drops to \$802,000 annually for 2006-07 and 2007-08. The Administration notes that 11 enforcement positions were lost to vacant-position reductions in 2002-03 and 2003-04.

Background: This request is one of three requests from the Administration that make up the "Economic and Employment Enforcement Coalition" proposal. If the proposal is approved, the Board will work with the other proposed coalition members, the Department of Industrial Relations and the Employment Development Department, to reduce underground-economy activity, and in doing so reduce unfair competition for employers who follow labor laws. The Administration indicates there is a \$60 billion to \$140 billion underground economy in California that would otherwise provide income tax revenue of \$4 billion annually.

Staff Recommendation: Approve this request.

Action: *Issue approved on a 2-1 vote with Senator McClintock voting no.*

1111 Bureau of Automotive Repair

The Bureau of Automotive Repair administers the Automotive Repair Program and the Smog Check Program. Both Programs are designed to protect consumers and discipline unethical service dealers and technicians. The Bureau also administers the Consumer Assistance Program, which provides financial assistance to eligible consumers whose vehicles fail a biennial Smog Check inspection.

The Governor proposes expenditures of \$142.5 million (no General Fund) and 590.9 positions for the Bureau – an increase of \$23.3 million and 41.7 positions.

Issues:

- 1. Repair Assistance Program.** The Administration requests an augmentation of \$4.8 million (High Polluter Repair or Removal Account), with \$2.5 million ongoing, and 17.0 positions to fully operate the Repair Assistance Program. This program reduces air pollution by assisting low-income individuals in the repair of their high-polluting automobiles. The program is funded from \$4 of the \$6 annual smog abatement fee on newer vehicles. Program applications received are expected to grow to 83,000 in 2005-06, compared to 37,098 received in 2000-01. Total vehicles repaired are expected to grow to 48,318 in 2005-06, compared to 11,762 repaired in 2000-01.

Staff Comment: The Bureau of Automotive repair indicates that it will annually estimate program demand, and submit a budget change to meet that demand (assuming program revenues are sufficient).

Staff Recommendation: Approve this request.

Action: *Issue approved on a 2-1 vote with Senator McClintock voting no.*

2. **Vehicle Retirement Program.** The Administration requests an augmentation of \$13.6 million (High Polluter Repair or Removal Account) and 21.0 positions to fully operate the Vehicle Retirement Program. This program reduces air pollution by allowing consumers whose vehicles fail a biennial Smog Check inspection and whose repair proves unfeasible, to sell their vehicle to the Bureau for \$1,000. The vehicles are then dismantled to reduce the number of high-polluting vehicles in the state.

Background. This program was originally funded by the \$300 Smog Impact Fee on out-of-state vehicles, which was found unconstitutional in 1999. In 2000-01, the Bureau offered \$1,000 per vehicle and retired 19,242 vehicles. Due to a declining fund balance and decreased revenue, the program was suspended in 2001-02. Chapter 703 (AB 2128, Statute of 2004) increased from \$2 to \$4 the portion of the \$6 annual smog abatement fee on newer vehicles that transfers to the High Polluter Repair or Removal Account. The increased fund balance, created by AB 2128, allows the program to operate at the level of consumer demand.

Staff Comment: The Bureau of Automotive repair indicates that it will annually estimate program demand, and submit a budget change to meet that demand (assuming program revenues are sufficient).

Staff Recommendation: Approve this request.

Action: *Issue approved on a 2-1 vote with Senator McClintock voting no.*

1111 Bureau of Security and Investigative Services

The Bureau of Security and Investigative Services ensures that only those who meet the prescribed qualifications to offer services as private investigators, repossessioners, uniformed security guards, private patrol operators, alarm company operators, alarm agents, locksmiths, and firearm and baton training facilities be licensed, and enforces the regulations established by legislation for such licenses. The Bureau indicates that private security officers are part of the homeland security effort and receive four hours of homeland security training.

The Governor proposes expenditures of \$10.0 million (no General Fund) and 44.2 positions for the Bureau – a decrease of \$65,000.

Issue:

1. **Efficiency gains, Bureau activity, and fee levels:** The Bureau reports that increased electronic processing, including both license applications and finger printing, have reduced workload hours for these activities. At the same time, program revenues are outpacing expenditures by approximately \$800,000 annually. The Bureau indicates it is considering moving some positions freed-up from processing efficiencies to enforcement activity. Additionally, a fee reduction is being considered. Private security officers currently pay an initial registration fee of \$50.

Staff Comment: The Service Employees International Union, which represents private security officers, has suggested that the public would be better served by increased Bureau activity instead of a fee reduction. The following areas have been suggested for increased activity:

- Enforcement and Auditing – including monitoring of training requirements.
- Outreach – including the orientation of new security firms to the laws of the State, more coordination with local law enforcement entities, and consumer education concerning the State's oversight role for private security firms.

The Subcommittee may wish the Bureau to discuss the merits of increasing their enforcement and outreach activities.

Staff Recommendation: Approve the Bureau's budget as proposed by the Administration.

Action: *Issue held open. The Chair directed staff to work with the Bureau; the Service Employees International Union; the Department of Finance, and the LAO, to see if a consensus on Bureau staffing and activity is possible.*

8820 Commission on the Status of Women

The Commission on the Status of Women serves to advance the causes of women; by advising the Governor and the Legislature; and educating and informing its constituencies.

The Governor's Budget proposes expenditures of \$422,000 (\$420,000 General Fund and \$2,000 reimbursements) and 3.9 positions – a decrease of \$3,000. These figures include a \$7,000 unallocated General Fund reduction.

Issue

- 1. Funding.** In January 2005, the Legislature received a deficiency request from the Administration of \$8,768. The Commission had originally requested \$36,823, and the Department of Finance had reduced the level to \$8,768. While these costs appear to be ongoing in nature, the Governor's Budget does not include a related augmentation. Additionally, the Budget includes an unallocated General Fund reduction of \$7,000 for the Commission.

Staff Comment: The Commission indicates it will not be able to absorb these reductions without a staff reduction or a move to an office away from the capitol – either of which, the Commission indicates, will decrease their effectiveness.

Staff Recommendation: To keep the Commission at the adjusted 2004-05 budget base, the Subcommittee may want to consider rejecting the \$7,000 unallocated General Fund reduction and additionally augmenting the budget by \$9,000 General Fund.

Action: *Issue kept open. The Chair asked the Commission to provide additional information on historic expenditures, including rent.*

Attachment:

**Proposed Trailer Bill Changes to Eliminate Unnecessary
Continuous Appropriation Language**

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SECTION 1. Section 1721.5 of the Business and Professions Code is amended to read:

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1721.5. All funds received by the State Treasurer under the authority of this chapter which relate to dental auxiliaries shall be placed in the State Dental Auxiliary Fund, ~~which fund is continuously appropriated~~ for the purposes of administering this chapter as it relates to dental auxiliaries.

SEC. 2. Section 2499 of the Business and Professions Code is amended to read:

2499. There is in the State Treasury the Board of Podiatric Medicine Fund. Notwithstanding Section 2445, the division shall report to the Controller at the beginning of each calendar month for the month preceding the amount and source of all revenue received by it on behalf of the board, pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit into the fund.

~~On and after July 1, 1981, a~~ All revenue received by the board and the division from fees authorized to be charged relating to the practice of podiatric medicine shall be deposited in the fund as provided in this section, and shall be ~~continuously appropriated to the board~~ used to carry out the provisions of this chapter relating to the regulation of the practice of podiatric medicine.

SEC. 3. Section 2529.5 of the Business and Professions Code is amended to read:

2529.5. Each person to whom registration is granted under the provisions of this chapter shall pay into the Contingent Fund of the Medical Board of California a fee to be fixed by the Division of Licensing at a sum not in excess of one hundred dollars (\$100).

The registration shall expire after two years. The registration may be renewed biennially at a fee to be fixed by the division at a sum not in excess of fifty dollars (\$50). Students seeking to renew their registration shall present to the division evidence of their continuing student status.

The money in the Contingent Fund of the Medical Board of California *shall be used necessary* for the administration of this chapter ~~is hereby continuously appropriated for such purposes~~.

SEC. 4. Section 2534 of the Business and Professions Code is amended to read:

2534. The board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit in the Speech-Language Pathology and Audiology Board Fund, which fund is hereby created ~~and is continuously appropriated~~ to carry out the purposes of this chapter.

SEC. 5. Section 2568 of the Business and Professions Code is amended to read:

2568. ~~On and after July 1, 1982, the board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit in the Dispensing Opticians Fund, which fund is created and continuously appropriated to carry out the provisions of this chapter.~~

~~On and after July 1, 1982, the unencumbered balance of any funds in the Contingency Fund of the Medical Board of California derived from fees and revenues received from registered dispensing opticians and registered contact lens dispensers, and applicants for such registration, shall be transferred to the Dispensing Opticians Fund and shall be expended as provided in this section.~~

SEC. 6. Section 2687 of the Business and Professions Code is amended to read:

2687. All fees earned by the board and all fines and forfeitures of bail to which the board is entitled shall be reported at the beginning of each month, for the month preceding, to the State Controller. At the same time, the entire amount of these collections shall be paid into the State Treasury and shall be credited to the Physical Therapy Fund.

~~This fund shall be for the use of the board and is continuously appropriated to the board to pay all salaries and all other expenses necessarily incurred in carrying into effect the provisions of this chapter.~~

SEC. 7. Section 2894 of the Business and Professions Code is amended to read:

2894. All money in the Vocational Nursing and Psychiatric Technicians Fund ~~is hereby continuously appropriated to the Board of Vocational Nursing and Psychiatric Technicians, without regard to fiscal years, shall be used for expenditure in carrying to carry out the provisions of this chapter, including the promotion of nursing education in this state, and for the refund, in accordance with law, of license fees or other moneys paid into the Vocational Nursing and Psychiatric Technicians Fund under the provisions of this chapter.~~

Claims against the Vocational Nursing and Psychiatric Technicians Fund shall be audited by the Controller, and shall be paid by the Treasurer upon warrants drawn by the Controller.

SEC. 8. Section 2981 of the Business and Professions Code is amended to read:

2981. The money in the Psychology Fund necessary ~~shall be used for the administration of this chapter is hereby continuously appropriated for such purposes.~~

SEC. 9. Section 3455 of the Business and Professions Code is amended to read:

3455. There is established in the State Treasury the Hearing Aid Dispensers Fund. All fees collected pursuant to this chapter shall be paid by the bureau into the fund. All money in the Hearing Aid Dispensers Fund ~~is continuously appropriated to the bureau~~ shall be used to carry out the purposes of this chapter.

SEC. 10. Section 3520 of the Business and Professions Code is amended to read:

3520. Within 10 days after the beginning of each calendar month the board shall report to the Controller the amount and source of all collections made under this chapter and at the same time pay all those sums into the State Treasury, where they shall be credited to the Physician Assistant Fund, which fund is hereby created. All money in the fund ~~is continuously appropriated~~ shall be used to carry out the purpose of this chapter.

SEC. 11. Section 3771 of the Business and Professions Code is amended to read:

3771. Within 10 days after the beginning of each calendar month, the board shall report to the Controller the amount and source of all collections made from persons licensed or seeking to be licensed under this chapter, and all fines and forfeitures to which the board is entitled, and at the same time, pay all these sums into the State Treasury, where they shall be credited to the Respiratory Care Fund, which is hereby created ~~and, notwithstanding Section 13340 of the Government Code, continuously appropriated for~~ to carry out the purposes of this chapter.

SEC. 12. Section 4974 of the Business and Professions Code is amended to read:

4974. The board shall report to the State Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the State Treasurer for deposit in the Acupuncture Fund, which fund is created ~~and continuously appropriated~~ to carry out the provisions of this chapter.

SEC. 13. Section 4984.6 of the Business and Professions Code is amended to read:

4984.6. (a) The Behavioral Sciences Fund ~~is continuously appropriated, without regard to fiscal years, to the Board of Behavioral Sciences~~ shall be used for the purposes of carrying out and enforcing the provisions of this chapter.

(b) The board shall keep any records as will reasonably ensure that funds expended in the administration of each licensing or registration category shall bear a reasonable relation to the revenue derived from each category, and shall so notify the department no later than May 31 of each year.

(c) Surpluses, if any, may be used in such a way so as to bear a reasonable relation to the revenue derived from each category, and may include, but not be limited to, expenditures for education and research related to each of the licensing or registration categories.

SEC. 14. Section 4994 of the Business and Professions Code is amended to read:

~~4994. Notwithstanding Section 13340 of the Government Code and except as provided in Section 4984.6, a~~All moneys in the Behavioral Sciences Fund are ~~continuously appropriated to the board,~~ to be expended by ~~it~~*the board* for the purposes of the programs under its jurisdiction.

SEC. 15. Section 5683 of the Business and Professions Code is amended to read:

5683. The money paid into the California Architects Board-Landscape Architects Fund ~~is continuously appropriated to the board~~*shall be used* for expenditure in the manner prescribed by law to defray the expenses of the board and in carrying out and enforcing the provisions of this chapter.

SEC. 16. Section 6980.81 of the Business and Professions Code is amended to read:

6980.81. (a) The bureau shall report each month to the Controller the amount and source of all revenue received pursuant to this chapter and shall pay the entire amount thereof into the State Treasury for credit to the Private Security Services Fund.

(b) All moneys paid into the Private Security Services Fund pursuant to subdivision (a) ~~are hereby continuously appropriated to the bureau~~ *shall be used* for the purposes of this chapter.

SEC. 17. Section 6980.82 of the Business and Professions Code is amended to read:

6980.82. The director shall furnish one copy of the licensing law and rules and regulations to any applicant or licensee without charge. The director shall charge and collect a fee equivalent to the cost of producing such laws, rules and regulations, manuals, or guides, plus sales tax for each additional copy which may be furnished on request to any applicant or licensee, and for each copy furnished on request to any other person. All moneys derived pursuant to this section, except for any sales tax collected, ~~are hereby continuously appropriated to the bureau~~ *shall be used* to cover the costs of producing copies of these laws, rules and regulations, manuals, or guides. All moneys collected for sales tax shall be remitted to the Board of Equalization.

SEC. 18. Section 7599.71 of the Business and Professions Code is amended to read:

7599.71. The director shall furnish one copy of any issue or edition of the licensing law, rules and regulations, manuals, or guides to any applicant or

licensee without charge. The director shall charge and collect a fee equivalent to the cost of producing such laws, rules and regulations, manuals, or guides, plus sales tax for each additional copy which may be furnished on request to any applicant or licensee, and for each copy furnished on request to any other person. All moneys derived, pursuant to this section except for any sales tax collected, ~~are hereby continuously appropriated to the bureau~~ *shall be used* to cover the costs of producing copies of such laws, rules and regulations, manuals or guides. All moneys collected for sales tax shall be remitted to the Board of Equalization.

SEC. 19. Section 7599.74 of the Business and Professions Code is amended to read:

7599.74. All money derived from Section 7591.9 ~~is hereby continuously appropriated to the bureau~~ *shall be used* to support the bureau's enforcement program.

SEC. 20. Section 7886 of the Business and Professions Code is amended to read:

7886. The money paid into the Geology and Geophysics Fund ~~is continuously appropriated to~~ *shall be used by* the board to carry out the provisions of this chapter.

SEC. 21. Section 9872 of the Business and Professions Code is amended to read:

9872. The money in the Electronic and Appliance Repair Fund necessary for the administration of this chapter ~~is hereby continuously appropriated~~ *shall be used* for such purposes. ~~Money in excess of a year and a half's operating cost shall be transferred to the General Fund from the Electronic and Appliance Repair Fund.~~